

**MINUTES
REGULAR MEETING
UTILITY SERVICE BOARD
MAY 17, 2010**

The Regular Meeting of the Utility Service Board of the City of Jasper, Indiana, was held in the Council Chambers of City Hall in Jasper at 7:00 PM on Monday, May 17, 2010.

The meeting was called to order by Chairman Wayne Schuetter.

UPON CALL OF THE ROLL, THE FOLLOWING WERE PRESENT:

Wayne Schuetter – Chairman
Rick Stradtner – Vice Chairman
Mike Harder – Secretary
Doug Schulte – Water Commissioner
Alex Emmons – Wastewater Commissioner
Greg A. Krodel – Gas Commissioner
Ken Sendelweck – Electric Commissioner

ALSO PRESENT:

Jerry Schitter – Electric Distribution Manager
Windell Toby – Electric Generation Manager
Michael A. Oeding – Gas & Water Manager
Ed Hollinden – Wastewater Manager
Bud Hauersperger – General Manager
Sandy Hemmerlein – City Attorney

PLEDGE OF ALLEGIANCE (A-13)

Chairman Wayne Schuetter led the Pledge of Allegiance.

APPROVAL OF MINUTES (A-21)

Chairman Wayne Schuetter presented the minutes of the April 19, 2010, Regular Meeting and there being no corrections or amendments, asked for a motion to approve. Alex Emmons made a motion to approve the minutes of the April Regular meeting as presented. Rick Stradtner seconded the motion. Motion approved, 7-0.

Chairman Wayne Schuetter then presented the minutes of the April 23, 2010, Special Meeting and there being no corrections or amendments, asked for a motion to approve. Ken Sendelweck made a motion to approve the minutes of the April 23rd Special meeting as presented. Mike Harder seconded the motion. Motion approved, 7-0.

POWER PLANT TOUR (A-46)

Windell Toby shared with the Board that another tour was given of the Power Plant to Sterling Technical Services Group from Gary, Indiana, on Saturday, May 15th. They were impressed with what they saw at the Plant. Toby said hopefully they will return a Request for Proposal for review. In all, 5 or 6 tours have been given of the Plant.

ELECTRIC PLANNING COMMITTEE REPORT (A-57)

Ken Sendelweck, Chairman of the Electric Planning Committee, stated the committee did not meet during the past month.

UPDATE ON REMAINING WATER & GAS METERS TO BE CONVERTED TO RADIO READ (A-60)

Mike Oeding informed the Board that all of the customers with broken valves on the water meters that still need converted to radio read have been contacted. They are all fixed, but one, who has contacted their plumber to come and repair.

The Water Department is still trying to contact the remaining five customers that just need to have their water meters converted to radio read. They have had no luck trying to reach the customers at home at different times of the day. A list of phone numbers has been compiled and they will try and reach the customers by phone.

Eight to ten businesses still need to convert their water meters to radio read and the Water Department is working on those as well.

GAS PLANNING COMMITTEE REPORT (A-79)

Greg Krodel, Chairman of the Gas Planning Committee, stated the committee did not meet during the past month.

WATER PLANNING COMMITTEE REPORT (A-80)

Doug Schulte, Chairman of the Water Planning Committee, stated the committee did not meet during the past month.

AGREEMENT WITH JASPER ENGINES TO SERVICE COGEN UNIT (A-85)

Ed Hollinden said he has an agreement with Jasper Engines to service their Cogen (cogeneration) unit that needs the Board's approval. Jasper Engines will service the Cogen unit for \$2.70 per running hour, which averages approximately 7,000 hours per year. This contract has been in place since 1994. This is the same price that Jasper Engines has given for the last 5 years. The term of the agreement would be for 2 years, from 5/31/10 to 5/30/12.

Alex Emmons made a motion to approve the agreement with Jasper Engines to service the Cogen unit for \$2.70 per running hour for the term of 5/31/10 to 5/30/12. Doug Schulte seconded the motion. Motion approved, 7-0.

WASTEWATER PLANNING COMMITTEE REPORT (A-111)

Alex Emmons, Chairman of the Wastewater Committee, stated the committee did not meet during the past month.

BUSINESS OFFICE SERVER INSTALLED (A-113)

Bud Hauersperger notified the Board that the Business Office server is installed and running. He thought the Utility offices would be installing their software before the Civil City, but it looks like the Business Office software will be delayed for a while longer. He should receive a new schedule soon from the software vendor.

Due to opting for the newest version of the Billing software, the wait is turning out to be a little longer than expected. They want their beta (test) projects to run longer than originally planned. A new schedule should be finalized by the June Board meeting.

POWER PLANT REQUESTS FOR PROPOSALS (A-129)

Hauersperger said the Requests for Proposals (RFP) for the Power Plant were sent out on April 30th. He passed out a packet to each Board member showing what the RFP contained and the list of who the RFP's were sent to.

BROADBAND TASKFORCE (A-138)

Hauersperger informed the Board that he had met with a small group of local business and IT people that he put together as a Broadband taskforce. The City has been receiving many proposals from firms wanting to provide the City or City offices with fiber for Broadband connectivity.

The taskforce decided to do an assessment of what the City currently has as far as number of computers, the applications run on the internet, types of communication systems for SCADA, etc. Then the taskforce will be able to compare that to what they have seen in other businesses and industries to put together a list of what the City would need from these providers.

REVIEW GAS RATE STUDY (A-165)

Hauersperger stated a Gas Committee Meeting has been scheduled for 8:00 AM on May 28th to review the gas rate study that has been completed. A preliminary draft has already been received and more comparative information was requested, like samples of bills across different customer types.

BEAVER LAKE DAM PROJECT UPDATE (A-178)

Hauersperger said they are in the process of trying to get the application sent in to OCRA (Office of Community and Rural Affairs) and need to get the open items taken care of tonight and at the Common Council meeting Wednesday night to be able to submit the application. The preliminary engineering and environmental review are both complete.

Sandy Hemmerlein stated the first item to discuss is the Christopher Burke Engineering (CBE) contract. The only contract signed with CBE was for the preliminary engineering. The Board did however approve the amounts CBE proposed for final design, permitting, and construction, subject to the Common Council reviewing and approving the final contract.

Both the EDA and OCRA grants have rules about what can be approved and then get reimbursed through grant money. Both EDA and OCRA state that in order to get reimbursed for engineering costs, you cannot sign contracts until grant award.

CBE feels that they would not be able to meet the OCRA deadline of having all permit applications submitted within 3 months, if they waited to begin work until after the grant award. They feel it would take close to 4 months to complete.

CBE agreed to proceed with the engineering with no contract, based on the February 26, 2010 minutes where the Board approved the amounts that CBE would charge for the project. However, if CBE proceeds with engineering and the City is not awarded either grant, will the Board want to go back and change the option for repairing the dam? If the option is changed after the engineering is started, the City would owe CBE additional engineering fees to complete the final design on the other option.

Lisa Gehlhausen, from Indiana 15 Regional Planning Commission, does not know when the OCRA grant will be awarded. They are awarding grants for "urgent needs" and "low to moderate income persons for development needs". A certain amount of dollars has to be awarded to the low to moderate income applications first, before any dollars will be awarded to the urgent needs applications. The urgent needs will then be awarded on a first come, first serve basis.

Hauersperger said Gehlhausen called him on Friday after she received a call from the EDA saying that if the City submitted the engineering quickly for our project there was a good chance they could provide the City with the \$1.2 million grant we asked for. Gehlhausen explained that the City decided to proceed with a different option that increased the cost to a \$2.7 million project. EDA said they could possibly provide up to \$1.9 million. If this was accepted, the City's portion to pay would increase to approximately \$900,000 versus the original amount of approximately \$400,000.

Hemmerlein said that according to Gehlhausen, if the City received the EDA grant, we could amend the OCRA grant application to apply for the remaining approximately \$900,000 that the City would be responsible for and possibly receive OCRA funds to cover some of this amount.

It was the Board's consensus for CBE to proceed with the engineering for option 4 as was previously decided, with CBE doing minimal engineering to get done only what needs to be done to meet the grant requirements.

Hemmerlein stated the next item relates to the land acquisition needed for this project. Bill Kaiser prepared a Permanent Drainage Easement for .213 acres and a Temporary Construction Easement for .115 acres with Luke and Leah Beckman. The Permanent Drainage Easement is for the land needed to make the dam modifications. Additional language was added to the easement that if any trees are removed from this area that the Beckmans retain the right to the timber if they choose to.

The Temporary Construction Easement will be used as a staging area for equipment and supplies during the construction of the dam modifications. Language was added to this easement to pay the Beckmans for any crop damage done while using this easement. The City would reimburse for crop damage per the formula of:

the number of acres X average bushels per acre for the 2 prior seasons X the price per bushel during affected season X 1.5 = Crop damage paid by City

Both easements have been signed by the Beckmans. Normally the Board of Public Works accepts and approves all easements and the Mayor signs them. Since these easements are for a large Utility project, Hemmerlein asked the Utility Service Board to accept and approve the easements and to recommend the Mayor sign the easements for recording.

Doug Schulte made a motion to accept and approve the Permanent Drainage Easement and the Temporary Construction Easement from Luke and Leah Beckman as described by Sandy Hemmerlein and to recommend the Mayor sign the Easements for recording purposes. Rick Stradtner seconded the motion. Motion approved, 7-0.

Hemmerlein stated the third item for discussion is the grant administration. OCRA requires that the City go through grant administration procurement. She sent out 4 Requests for Proposals and only received one back from Indiana 15 Regional Planning Commission. Their proposed charges would be \$42,500 for Grant Management and Administration and \$7,000 for Labor Standards for a total of \$49,500.

Hemmerlein said the EDA does not require grant administration procurement. Hemmerlein spoke with Gehlhausen from Region 15 and she indicated the cost to the City would be the same, no matter which grant the City would receive.

This contract for grant administration would need to be signed and approved by the Common Council. The City would only be charged these fees IF the City receives any grant money. There is no charge for the work done to date and would be no charge if the City was denied both grants.

Ken Sendelweck made a motion that IF the City receives the EDA and/or OCRA grant that the Utility Service Board recommends to the Common Council to enter into a contract with Indiana 15 Regional Planning Commission for \$49,500 for Grant Management and Administration and Labor Standards. Greg Krodel seconded the motion. Motion approved, 7-0.

Hemmerlein said the last item to address related to the Beaver Lake Dam project, at this time, are the two Resolutions to show the City is committed to financing this project. The Resolution #USB 2010-9 outlines the amount needed for the OCRA match. The City is applying for \$2,473,000 with a match of \$315,000 with a loan from Electric Distribution to Water.

Resolution #USB 2010-10 outlines the amount needed for the EDA match. The City is applying for \$1,906,216 with a match of \$879,584 with a loan from Electric Distribution to Water.

The original Resolution that was approved was #USB 2010-1, where the City was applying to EDA for an amount of \$1,229,364 with a match of \$409,788.

Rick Stradtner made a motion to approve Resolution #USB 2010-9 to recommend to the Common Council to apply for OCRA funds of \$2,473,000 with a match of approximately \$315,000 and funding to be from utility funds with Council approving a loan of up to \$315,000 from Electric Distribution to Water. Doug Schulte seconded the motion. Motion approved, 7-0.

Ken Sendelweck made a motion to approve Resolution #USB 2010-10 to recommend to the Common Council to apply for additional EDA funds which would total \$1,906,216 with a match of approximately \$879,584 and funding to be from utility funds with Council approving a loan of up to \$879,584 from Electric Distribution to Water. Greg Krodel seconded the motion. Motion approved, 7-0.

CAPITAL EXPENDITURE PLANS (A-650)

Hauersperger said he was supposed to make a presentation tonight on the justification of the remaining items on the capital expenditure plans that were pushed to the second half of 2010. He will be putting together a formal explanation for these items and will email it to all of the Board members. The Board can then discuss the items at the June Utility Service Board meeting.

FINANCE COMMITTEE REPORT & PRESENTATION OF CLAIM DOCKET (A-661)

Mike Harder reported the Finance Committee had met and reviewed the claims on the Claim Docket.

The Finance Committee recommended approval of the claims as presented.

Ken Sendelweck made a motion to approve the claims as presented. Doug Schulte seconded the motion. Motion approved, 7-0.

WASTEWATER GRANT APPLICATION (A-669)

Sandy Hemmerlein said they met with Lisa Gehlhausen from Indiana 15 Regional Planning Commission on the sewer relining and replacing project in the Skyline Subdivision. Chad Hurm is working on the 6 to 8 easements needed for this project, preliminary engineering numbers, and cost analysis. The deadline to apply for this grant is the beginning of July, so there will be more items to address at the June Utility Service Board meeting. The grant administration procurement, Resolution and public hearing will all need to be done, just like what was done for the Beaver Lake Dam project.

PUBLIC HEARING (A-684)

Hemmerlein reminded the Board that the public hearing for the Beaver Lake Dam project will be held Wednesday night at 6:30 PM prior to the Common Council meeting. She invited all Board members to attend.

CHAIRMAN'S COMMENTS (A-687)

Chairman Wayne Schuetter urged all Board members to read through the Request for Proposal that was sent out for the Power Plant project. He said these are the requirements that will be looked at when the RFP's are reviewed in July.

There being no further business to come before the Board, the meeting was adjourned at 7:54 PM upon motion by Mike Harder and second by Alex Emmons. Motion approved, 7-0.

The minutes were hereby approved _____ with _____ without corrections this _____ day of _____, 2010.

Attest: _____
Secretary Chairman